

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Georgetown Charter Township	County Ottawa
Fiscal Year End 12-31-07	Opinion Date 3-6-08	Date Audit Report Submitted to State 3-14-08	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

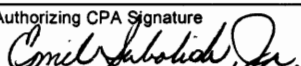
YES ☒ NO ☐

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Kiekoover, Scholma & Shumaker, PC		Telephone Number 616-772-4615	
Street Address 205 East Main Street		City Zeeland	State MI
Zip 49464			
Authorizing CPA Signature 	Printed Name Emil Sabolish, Jr.	License Number 1101009304	

GEORGETOWN CHARTER TOWNSHIP
OTTAWA COUNTY, MICHIGAN
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2007

KIEKOVER, SCHOLMA & SHUMAKER, PC
Certified Public Accountants
Zeeland, Michigan

Georgetown Charter Township, Michigan
ANNUAL FINANCIAL REPORT
Year Ended December 31, 2007

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Georgetown Charter Township, Michigan
ANNUAL FINANCIAL REPORT
Year Ended December 31, 2007

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

March 6, 2008

Township Board
Georgetown Charter Township, Michigan
Jenison, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Georgetown Charter Township, Michigan, as of and for the year ended December 31, 2007, which collectively comprise the township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Georgetown Charter Township, Michigan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Georgetown Charter Township, Michigan, as of December 31, 2007 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages II through VII and 22 through 25, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Georgetown Charter Township, Michigan's basic financial statements. The combining nonmajor fund financial statements and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The information in the additional information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Kiekover, Scholma & Shumaker, PC

Georgetown Charter Township, Michigan

Management's Discussion and Analysis

As management of Georgetown Charter Township, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2007. We encourage readers to consider the information presented here in conjunction with the Township's financial statements that follow this section.

Financial Highlights

- The assets of Georgetown Charter Township exceeded its liabilities at the close of the most recent fiscal year by \$79,798,407 (*net assets*). Of this amount, \$12,287,360 (*unrestricted net assets*) may be used to meet the Township's ongoing obligations to citizens and creditors.
- The Township's total net assets increased by \$2,795,729. Capital assets increased by \$1,118,603, while restricted net assets increased by \$33,798 and unrestricted net assets increased by \$1,643,328.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$5,745,132, an increase of \$824,694 in comparison with the prior year. Approximately 83% of this total amount, \$4,764,869 is *available for spending* at the Township's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$4,415,979 or 57% of total general fund expenditures and transfers out.
- At December 31, 2007 the Township has no outstanding long-term obligations.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Georgetown Charter Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business and, therefore, are prepared using the accrual basis of accounting. These statements provide a longer term view of the Township's finances and whether taxpayers have funded the full cost of providing government services. The first two statements are government-wide and include the following:

- The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.
- The *statement of activities* presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and state shared revenues and earned but unused sick leave).

Both of the government-wide financial statements distinguish functions of Georgetown Charter Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, economic development, and recreation and culture. The business-type activities of the Township include the water and sewer disposal systems and an ice arena (operations of which were transferred to the General Fund effective January 1, 2007).

The government-wide financial statements can be found on pages 1-3 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Georgetown Charter Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements report the Township's operations in more detail than the government-wide financial statements. These statements present a short-term view and tell how taxpayer resources were spent during the year. All of the funds of the Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements tell how general government services like public safety were financed in the short term as well as what remains for future spending. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Township's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Georgetown Charter Township maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Library Fund, both of which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Township adopts an annual appropriated budget for its General and Library Funds. Budgetary comparison schedules have been provided for the General Fund and Library Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 4-6 of this report.

Proprietary funds. Georgetown Charter Township maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Township uses enterprise funds to account for its water and sewer disposal systems operations and ice arena operations.

Proprietary funds provide the same type of information as the government-wide financial statements, but provide more detail and information, such as cash flows. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, which is considered to be a major fund of Georgetown Charter Township. The Township's other proprietary fund, the Ice Arena Fund, was closed into the General Fund effective January 1, 2007, and its operations are now reported as an activity within the Township's General Fund.

The basic proprietary fund financial statements can be found on pages 7-9 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Georgetown Charter Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 10 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11-21 of this report.

Other information. In addition to the basic financial statement and accompanying notes, this report also presents certain *required supplementary information* presenting budgetary comparisons for the Township's General and Library Funds found on pages 22 to 25.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining fund statements can be found on pages 26-27 of this report.

Immediately following the combining fund statements is an additional information section, which provides certain information pertaining to government revenues, expenditures, tax revenues and collections, demographic, and other statistical data.

Financial Analysis of the Township as a Whole

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Georgetown Charter Township, assets exceeded liabilities by \$79.8 million at the close of the fiscal year ended December 31, 2007.

The largest portion of the Township's net assets (83%) reflects its investment in capital assets. The Township uses capital assets to provide services to citizens; accordingly, these assets are not available for future spending.

Restricted net assets of the Township totaled \$.98 million and are reported in the governmental activities. These net assets have limits on their use that are externally imposed by restrictions such as enabling legislation or grantor restrictions. These resources can only be used for the specific purposes for which they were intended, such as expenditures for cemetery perpetual care. The remaining unrestricted net assets (\$12.3 million) may be used to meet the Township's ongoing operations.

The following table shows, in a condensed format, the net assets of Georgetown Charter Township as of December 31, 2007 and 2006.

TABLE 1 - Georgetown Charter Township's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 10,104,998	\$ 9,159,701	\$ 7,426,853	\$ 6,490,622	\$ 17,531,851	\$ 15,650,323
Capital assets	25,531,062	16,819,695	40,999,722	48,592,486	66,530,784	65,412,181
Total assets	35,636,060	25,979,396	48,426,575	55,083,108	84,062,635	81,062,504
Long-term debt outstanding	-	-	-	-	-	-
Other liabilities	3,862,632	3,768,993	401,596	290,833	4,264,228	4,059,826
Total liabilities	3,862,632	3,768,993	401,596	290,833	4,264,228	4,059,826
Net assets:						
Invested in capital assets,						
net of related debt	25,531,062	16,819,695	40,999,722	48,592,486	66,530,784	65,412,181
Restricted	980,263	946,465	-	-	980,263	946,465
Unrestricted	5,262,103	4,444,243	7,025,257	6,199,789	12,287,360	10,644,032
Total net assets	\$ 31,773,428	\$ 22,210,403	\$ 48,024,979	\$ 54,792,275	\$ 79,798,407	\$ 77,002,678

As shown in Table 2 (changes in net assets), the Township's total revenues were approximately \$16.8 million for the current year, of which 18.7% was obtained from property taxes. Fees charged for services accounted for another 49.8% of the total, State shared revenues 17.7%, and capital grants and contributions (mostly in the form of water and wastewater hook-ups and developer contributions of systems) another 8.1%. The balance of the Township's revenues was primarily derived from interest earnings and other sources. The total cost of all programs and services at December 31, 2007 was \$14.0 million. Township expenses cover a wide range of services. For the current fiscal year, about 28.0% of the Township's expenses related to public safety and public works, 18.4% related to recreation and culture, and 48.2% related to the provision of water and sewer services.

Net assets increased by \$9.6 million for the Township's governmental activities. Net assets for business-type activities decreased by \$6.85 million during the year. A major factor in these changes is the transfer of Ice Arena assets totaling \$7.9 million from business-type activities to governmental activities.

The following analysis highlights the changes in net assets for the years ended December 31, 2007 and 2006:

TABLE 2 - Georgetown Charter Township's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Program revenues						
Charges for services	\$ 1,907,872	\$ 1,072,537	\$ 6,442,897	\$ 6,624,536	\$ 8,350,769	\$ 7,697,073
Operating grants and contributions	120,385	108,702	-	-	120,385	108,702
Capital grants and contributions	284,250	58,500	1,075,876	1,256,998	1,360,126	1,315,498
General revenues						
Property taxes	3,132,594	2,929,679	-	-	3,132,594	2,929,679
State shared revenues	2,966,762	2,951,464	-	-	2,966,762	2,951,464
Interest	393,402	326,879	358,520	254,898	751,922	581,777
Other revenue	72,333	181,232	-	-	72,333	181,232
Total revenues	8,877,598	7,628,993	7,877,293	8,136,432	16,754,891	15,765,425
Program expenses						
General government	762,523	945,024	-	-	762,523	945,024
Public safety	2,525,992	2,204,669	-	-	2,525,992	2,204,669
Public works	1,377,952	1,280,675	-	-	1,377,952	1,280,675
Community and economic development	25,099	22,353	-	-	25,099	22,353
Recreation and culture	2,577,886	1,487,774	-	-	2,577,886	1,487,774
Water and sewer	-	-	6,724,560	5,944,758	6,724,560	5,944,758
Ice arena	-	-	-	994,807	-	994,807
Total expenses	7,269,452	5,940,495	6,724,560	6,939,565	13,994,012	12,880,060
Change before contributions and transfers	1,608,146	1,688,498	1,152,733	1,196,867	2,760,879	2,885,365
Contributions to permanent funds	34,850	32,925	-	-	34,850	32,925
Transfers in (out)	7,920,029	(400,000)	(7,920,029)	400,000	-	-
Special item - Post-employment health care buyout payments	-	(1,029,578)	-	-	-	(1,029,578)
Change in net assets	\$ 9,563,025	\$ 291,845	\$ (6,767,296)	\$ 1,596,867	\$ 2,795,729	\$ 1,888,712

Financial Analysis of the Township's Funds

Governmental Funds - Our analysis of the Township's major funds begins on page 4, following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages, grants, contributions or capital projects. The Township's major funds for 2007 consist of the General Fund and Library Fund.

The General Fund is the main operating fund of the Township. Total General Fund revenues and other financing sources for fiscal year 2007 increased by \$1,264,720 or 18.0%. Property tax revenues increased by \$202,915 or 6.9%. State shared revenues decreased by \$32,547 or 1.1%. Charges for services increased by \$745,601, mainly due to the inclusion of Ice Arena revenue within the General Fund during 2007. Revenues from licenses and permits increased by \$58,895 or 14.1%. Interest earnings increased by \$79,522 or 25.3%. Grants and other revenues increased by \$228,062 due to increased grants received for fire equipment and increases in rents and reimbursements. Transfers in from other funds increased by \$144,045, mainly due to the transfer of non-capital assets from the Ice Arena Fund.

General Fund expenditures increased in 2007 by \$1,804,119 or 134.2%. General government expenditures decreased by \$147,713 due to decreased expenditures for elections and the clerk's office. Public Safety expenditures decreased by \$174,563 mainly due to decreased capital outlay for fire equipment and disaster warning sirens. Public Works expenditures increased by \$1,353,595 due to increased expenditures for roads and sidewalks. Recreation and culture expenditures increased by \$770,054 mainly due to Ice Arena expenditures (\$866,979) being included in the General Fund during 2007.

General Fund transfers out decreased by \$1,255,425 compared to the prior year. During 2006 the General Fund transferred \$950,000 to the Retirement Benefit Fund to fund the buyout of post-employment health care benefits and \$400,000 to the Ice Arena Fund for working capital.

The December 31, 2007 fund balance of the general fund is \$4,415,979 all of which is unreserved. The unreserved fund balance increased by \$690,862 from the prior year. The \$4,415,979 unreserved fund balance is approximately 57% of 2007 expenditures and operating transfers to other funds which amounted to \$7,812,911.

The Library Fund is used to account for state revenue sharing, library penal fines, other revenues and transfers from the General Fund for library operating purposes. Revenues decreased by \$18,316 or 6.4%, while transfers from the General Fund increased by \$97,575 or 17.1%. Expenditures increased by \$35,646 or 7.0%. The Library Fund fund balance at December 31, 2007 totaled \$333,749.

Proprietary Funds – Georgetown Charter Township's proprietary funds provide the same type of information found in the government-wide financial statements (business-type activities) but in more detail. The Township's proprietary funds are comprised of the Water and Sewer Fund and the Ice Arena Fund. Water user consumption rates increased by 20% effective July 1, 2007 while Sewer user consumption rates remained unchanged from 2006. The Ice Arena Fund was closed effective January 1, 2007 and Ice Arena operations are now accounted for as an activity of the General Fund.

Operating revenues for the Water and Sewer Fund increased in fiscal year 2007 by \$643,553 from \$5,799,344 to \$6,442,897. Operating expenses, including depreciation, increased in fiscal year 2007 by \$779,802 from \$5,944,758 to \$6,724,560 mainly due to increased costs for water purchased and sewage disposal charges. Capital contributions decreased by \$181,122 from \$1,256,998 to \$1,075,876. Unrestricted net assets of the Water and Sewer Fund were \$7,025,257 at December 31, 2007. The Water and Sewer Fund had a total increase in net assets of \$1,152,733.

During fiscal year 2007, the Township added approximately \$1.4 million of capital assets to its water and sewer systems, including approximately \$.5 million of capital assets contributed by developers.

General Fund Budgetary Highlights

Over the course of the year, the Township Board amended the budget to take into account events during the year. The most significant changes to budgeted revenues were to reflect additional fire department grant monies received and to reflect the revenues from the transfer of Ice Arena operations to the General Fund. The most significant changes to budgeted expenditures were to reflect additional expenditures for fire department equipment funded by grants, additional costs for road and bike paths construction, and the expenditures for Ice Arena operations.

Capital Asset and Debt Administration

At the end of 2007, the Township had \$66,530,784 invested in a broad range of capital assets, including buildings, fire equipment, park land and improvements, bike paths, roads, drains, an ice arena, and water and sewer lines. The Township's investment in roads and drains within the Township are recorded as intangible assets (shared street improvements and flowage rights). Although paid for by the Township, Michigan law makes these assets property of the County (along with the responsibility to maintain them).

At December 31, 2007, the Township had no long-term debt.

Economic Factors and Next Year's Budgets and Rates

The Township's budget for 2008 calls for no change in the overall property tax rate of 2.25 mills. This can be accomplished because of the tax base growth. Because of the impact of Proposal A, however, the Township needs to continue to watch its budget very closely. The state-wide tax reform act limits growth in taxable value on any individual property to the lesser of inflation or 5%. Because some properties increase in value by less than inflation, the mathematical result of this is that the total taxable value for the Township will grow less than by inflation, before considering new property additions.

The Township plans to continue maintenance and improvement of its general infrastructure, including annual improvements to roads, drains, and bike paths. The 2008 budget provides for about \$2.0 million in General Fund appropriations for these initiatives and a new fire truck budgeted at \$540,000.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Township's finance director.

Basic Financial Statements

Georgetown Charter Township, Michigan
STATEMENT OF NET ASSETS
December 31, 2007

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and investments	\$ 7,517,628	\$ 6,005,772	\$ 13,523,400
Receivables:			
Taxes	1,561,435	-	1,561,435
Accounts	113,497	993,364	1,106,861
Interest	144,205	-	144,205
Due from other governments	494,984	-	494,984
Inventories	92,888	-	92,888
Prepaid items	180,361	-	180,361
Assessments receivable	-	427,717	427,717
Capital assets	<u>25,531,062</u>	<u>40,999,722</u>	<u>66,530,784</u>
Total Assets	<u>35,636,060</u>	<u>48,426,575</u>	<u>84,062,635</u>
LIABILITIES			
Accounts payable and accruals	598,368	401,596	999,964
Deferred revenue	<u>3,264,264</u>	<u>-</u>	<u>3,264,264</u>
Total Liabilities	<u>3,862,632</u>	<u>401,596</u>	<u>4,264,228</u>
NET ASSETS			
Invested in capital assets, net of related debt	25,531,062	40,999,722	66,530,784
Restricted for:			
Perpetual care - nonexpendable	980,263	-	980,263
Unrestricted	<u>5,262,103</u>	<u>7,025,257</u>	<u>12,287,360</u>
Total Net assets	<u>\$ 31,773,428</u>	<u>\$ 48,024,979</u>	<u>\$ 79,798,407</u>

Georgetown Charter Township, Michigan
STATEMENT OF ACTIVITIES
Year Ended December 31, 2007

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Function/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 762,523	\$ 806,993	\$ -	\$ -
Public safety	2,525,992	66,396	-	215,056
Public works	1,377,952	-	-	-
Community and economic development	25,099	11,700	-	-
Recreation and culture	2,577,886	1,022,783	120,385	69,194
Total governmental activities	7,269,452	1,907,872	120,385	284,250
Business-type activities:				
Water and sewer	6,724,560	6,442,897	-	1,075,876
Total Primary Government	\$ 13,994,012	\$ 8,350,769	\$ 120,385	\$ 1,360,126

General revenues:

Property taxes

State shared revenues

Interest

Gain on sale of capital assets

Other

Contributions to permanent funds

Transfers

**Total General Revenues, Contributions,
and Transfers**

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business Type Activities	Total
\$ 44,470	\$ -	\$ 44,470
(2,244,540)	-	(2,244,540)
(1,377,952)	-	(1,377,952)
(13,399)	-	(13,399)
<u>(1,365,524)</u>	<u>-</u>	<u>(1,365,524)</u>
<u>(4,956,945)</u>	<u>-</u>	<u>(4,956,945)</u>
<u>-</u>	<u>794,213</u>	<u>794,213</u>
<u>(4,956,945)</u>	<u>794,213</u>	<u>(4,162,732)</u>
3,132,594	-	3,132,594
2,966,762	-	2,966,762
393,402	358,520	751,922
(6,442)	-	(6,442)
78,775	-	78,775
34,850	-	34,850
<u>7,920,029</u>	<u>(7,920,029)</u>	<u>-</u>
<u>14,519,970</u>	<u>(7,561,509)</u>	<u>6,958,461</u>
9,563,025	(6,767,296)	2,795,729
<u>22,210,403</u>	<u>54,792,275</u>	<u>77,002,678</u>
<u>\$ 31,773,428</u>	<u>\$ 48,024,979</u>	<u>\$ 79,798,407</u>

Georgetown Charter Township, Michigan
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2007

	General	Library	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 6,148,431	\$ 364,759	\$ 1,004,438	\$ 7,517,628
Receivables:				
Taxes	1,561,435	-	-	1,561,435
Accounts	113,497	-	-	113,497
Interest	144,205	-	-	144,205
Inventory	92,888	-	-	92,888
Prepaid expenses	180,361	-	-	180,361
Total Assets	<u>\$ 8,240,817</u>	<u>\$ 364,759</u>	<u>\$ 1,004,438</u>	<u>\$ 9,610,014</u>
LIABILITIES				
Accounts payable and accruals	\$ 558,324	\$ 31,010	\$ 9,034	\$ 598,368
Deferred revenue	3,266,514	-	-	3,266,514
Total Liabilities	<u>3,824,838</u>	<u>31,010</u>	<u>9,034</u>	<u>3,864,882</u>
FUND BALANCES				
Reserved for perpetual care - nonexpendable	-	-	980,263	980,263
Unreserved	4,415,979	333,749	-	4,749,728
Unreserved, reported in:				
Nonmajor special revenue funds	-	-	15,141	15,141
Total Fund Balances	<u>4,415,979</u>	<u>333,749</u>	<u>995,404</u>	<u>5,745,132</u>
Total Liabilities and Fund Balances	<u>\$ 8,240,817</u>	<u>\$ 364,759</u>	<u>\$ 1,004,438</u>	
Amount reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and are not reported in the funds:				
General capital assets				16,865,166
Infrastructure assets				8,665,896
State shared revenues (sales taxes) collected and held by the State at year end are not considered available to pay for current year expenditures				494,984
Special assessments receivable are expected to be collected over several years and are not available to pay for current year expenditures				<u>2,250</u>
Net Assets of Governmental Activities				<u>\$ 31,773,428</u>

Georgetown Charter Township, Michigan
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2007

	General	Library	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 3,132,594	\$ -	\$ -	\$ 3,132,594
Licenses and permits	476,859	-	-	476,859
Grants	215,056	-	139,575	354,631
State shared revenues	2,939,235	34,436	-	2,973,671
Charges for services	869,214	16,595	102,430	988,239
Fines and forfeitures	78,762	203,849	-	282,611
Interest	393,402	-	73,238	466,640
Other	201,112	11,893	3,675	216,680
Total Revenues	<u>8,306,234</u>	<u>266,773</u>	<u>318,918</u>	<u>8,891,925</u>
Expenditures:				
Current:				
General government	677,397	-	6,443	683,840
Public safety	2,375,854	-	-	2,375,854
Public works	2,755,751	-	-	2,755,751
Community and economic development	25,099	-	-	25,099
Recreation and culture	1,249,562	838,179	270,463	2,358,204
Total Expenditures	<u>7,083,663</u>	<u>838,179</u>	<u>276,906</u>	<u>8,198,748</u>
Excess of Revenues Over (Under) Expenditures	<u>1,222,571</u>	<u>(571,406)</u>	<u>42,012</u>	<u>693,177</u>
Other Financing Sources:				
Transfers in	197,539	669,775	59,473	926,787
Transfers out	(729,248)	-	(66,022)	(795,270)
Total Other Financing Sources (Uses)	<u>(531,709)</u>	<u>669,775</u>	<u>(6,549)</u>	<u>131,517</u>
Net Change in Fund Balances	690,862	98,369	35,463	824,694
Fund Balances - January 1	<u>3,725,117</u>	<u>235,380</u>	<u>959,941</u>	<u>4,920,438</u>
Fund Balances - December 31	<u>\$ 4,415,979</u>	<u>\$ 333,749</u>	<u>\$ 995,404</u>	<u>\$ 5,745,132</u>

Georgetown Charter Township, Michigan
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2007

Net change in fund balances-Total Governmental Funds **\$ 824,694**

Amounts reported for the governmental activities in the statement of activities are different because:

Govenmental funds report capital outlays as expenditures; in the statement of activites these costs are allocated over their estimated useful lives as depreciation:

Transfer of Ice Arena capital assets to general capital assets	7,788,513
Current year capital outlays capitalized - general capital assets	613,971
Current year capital outlays capitalized - infrastructure capital assets	1,902,038
Current year depreciation expense on capitalized assets	(1,586,713)

Governmental funds report the proceeds from the disposal of capital assets. In the statement of activites only the gain or loss is reported for each disposal. Therefore the change in net assets differs from the change in fund balance by the net book value of assets disposed	(6,442)
--	---------

Timing of revenue recognition differs in the statement of activities versus the funds financial statements for certain revenues that do not provide current financial resources	
State shared revenues	27,527

Special assessment revenues are recorded in the statement of activities when the assessment is set; they are not recorded in the funds until collected or collectible within 60 days of year end	(563)
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Change in net assets of governmental activities **\$ 9,563,025**

Georgetown Charter Township, Michigan
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2007

	Enterprise Funds		
	Water and Sewer	Ice Arena	Total
ASSETS			
Current Assets:			
Cash and investments	\$ 6,005,772	\$ -	\$ 6,005,772
Accounts receivable	993,364	-	993,364
Total Current Assets	<u>6,999,136</u>	<u>-</u>	<u>6,999,136</u>
Noncurrent Assets:			
Assessments receivable	427,717	-	427,717
Capital assets	40,999,722	-	40,999,722
Total Noncurrent Assets	<u>41,427,439</u>	<u>-</u>	<u>41,427,439</u>
Total Assets	<u>48,426,575</u>	<u>-</u>	<u>48,426,575</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and accruals	<u>401,596</u>	<u>-</u>	<u>401,596</u>
NET ASSETS			
Invested in capital assets, net of related debt	40,999,722	-	40,999,722
Unrestricted	7,025,257	-	7,025,257
Total Net Assets	<u>\$ 48,024,979</u>	<u>\$ -</u>	<u>\$ 48,024,979</u>

Georgetown Charter Township, Michigan
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year Ended December 31, 2007

	Enterprise Funds		
	Water and Sewer	Ice Arena	Total
Operating Revenues:			
Water sales	\$ 3,539,652	\$ -	\$ 3,539,652
Sewage disposal service	2,740,054	-	2,740,054
Ice arena rentals and programs	-	-	-
Ice arena pro shop and concessions sales	-	-	-
Other revenues	163,191	-	163,191
Total Operating Revenues	<u>6,442,897</u>	<u>-</u>	<u>6,442,897</u>
Operating Expenses:			
Cost of water	2,240,758	-	2,240,758
Cost of sewage disposal	2,051,678	-	2,051,678
Operation and maintenance	602,068	-	602,068
General and administrative	631,710	-	631,710
Depreciation	1,198,346	-	1,198,346
Total Operating Expenses	<u>6,724,560</u>	<u>-</u>	<u>6,724,560</u>
Operating Income (Loss)	(281,663)	-	(281,663)
Nonoperating Revenues:			
Interest income	358,520	-	358,520
Income (Loss) Before Contributions and Transfers	76,857	-	76,857
Capital contributions	1,075,876	-	1,075,876
Transfers out to general fund	-	(131,517)	(131,517)
Transfers out to governmental activities capital assets	-	(7,788,512)	(7,788,512)
Change in Net Assets	1,152,733	(7,920,029)	(6,767,296)
Net Assets - January 1	<u>46,872,246</u>	<u>7,920,029</u>	<u>54,792,275</u>
Net Assets - December 31	<u>\$ 48,024,979</u>	<u>\$ -</u>	<u>\$ 48,024,979</u>

Georgetown Charter Township, Michigan
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2007

	Enterprise Funds		
	Water and Sewer	Ice Arena	Total
Cash Flows From Operating Activities:			
Receipts from customers	\$ 6,311,559	\$ -	\$ 6,311,559
Payments to suppliers	(4,967,364)	-	(4,967,364)
Payments to employees	(433,509)	-	(433,509)
Net Cash Provided By Operating Activities	<u>910,686</u>	<u>-</u>	<u>910,686</u>
Cash Flows From Noncapital Financing Activities:			
Transfers from/to other funds	-	(48,272)	(48,272)
Cash Flows From Capital and Related Financing Activities:			
Capital contributions	618,358	-	618,358
Construction and purchase of capital assets	(911,541)	-	(911,541)
Net Cash Provided By Capital and Related Financing Activities	<u>(293,183)</u>	<u>-</u>	<u>(293,183)</u>
Cash Flows From Investing Activities:			
Interest received on investments	<u>358,520</u>	<u>-</u>	<u>358,520</u>
Net Increase (Decrease) in Cash and Investments	976,023	(48,272)	927,751
Cash and Investments - January 1	<u>5,029,749</u>	<u>48,272</u>	<u>5,078,021</u>
Cash and Investments - December 31	<u>\$ 6,005,772</u>	<u>\$ -</u>	<u>\$ 6,005,772</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities:			
Operating income (loss)	(281,663)	\$ -	\$ (281,663)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,198,346	-	1,198,346
Change in assets and liabilities:			
Receivables	(131,338)	-	(131,338)
Accounts payable and accruals	<u>125,341</u>	<u>-</u>	<u>125,341</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ 910,686</u>	<u>\$ -</u>	<u>\$ 910,686</u>
Noncash capital financing activities:			
Contribution of capital assets from developers	<u>\$ 482,554</u>	<u>\$ -</u>	<u>\$ 482,554</u>

Georgetown Charter Township, Michigan
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2007

	Agency Fund
	<hr/>
	Tax Collection
	<hr/>
ASSETS	
Cash and investments	\$ 862,675
	<hr/>
LIABILITIES	
Due to other governments	\$ 862,675
	<hr/>

Georgetown Charter Township, Michigan
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Georgetown Charter Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Georgetown Charter Township:

A. Reporting Entity

Georgetown Charter Township is governed by an elected seven-member board of trustees. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the township's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government (see discussion below for description).

Blended Component Unit. The township has no blended component units.

Discretely Presented Component Unit. The township has no discretely presented component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. (Georgetown Charter Township has no such component units.)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, special assessments, licenses, interest revenue, and charges for services. Sales taxes (state shared revenues) collected and held by the State at year end on behalf of the township and paid to the township at the end of the following February are recognized as revenue in the year received. Such amounts are not normally received within 60 days of the current fiscal year and are budgeted for use by the township in the year received. Other revenue is recorded when received.

The township reports the following major governmental funds:

General Fund

The General Fund is the township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Library (Special Revenue) Fund:

The Library Fund accounts for restricted state revenue sharing, library penal fines, other revenues and transfers from the General Fund used for library purposes.

The government reports the following major proprietary funds:

Water and Sewer Fund

This fund is used to account for the operation and maintenance of a water distribution system, including storage tanks, pumping stations, distribution mains and services and related equipment. Water is purchased from the City of Wyoming for storage and distribution to the township's customers.

This fund also accounts for the operation and maintenance of a wastewater collection system. The township contracts for wastewater treatment services through the City of Grandville Wastewater Treatment Plant.

Ice Arena Fund

This fund is used to account for the construction, operation, and maintenance of a township owned ice arena which opened for operation in 2004. The ice arena is available for use by the general public. Effective January 1, 2007 the Ice Arena Fund was closed and its operations accounted for as a general fund activity.

Additionally, the government reports the following fund types:

Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes or monies received from other funds for specified purposes.

Permanent Fund

The Permanent Fund accounts for assets held by the township pursuant to a trust agreement. The principle portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

Proprietary Funds

Enterprise Funds

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Fiduciary Funds (Not included in government-wide statements)

Agency Funds

Agency Funds account for assets held by the township in a purely custodial capacity. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The township has elected not to follow private-sector standards issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of the interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the township's water and sewer function and various other functions of the township. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. The water and sewer fund also recognizes the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as nonoperating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

When both restricted and unrestricted resources are available for use, it is the township's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

1. Bank Deposits and Investments.

The township pools cash resources of its various funds to facilitate the management of cash. The balances in the pooled cash accounts are available to meet current operating requirements. Cash in excess of current requirements is invested in various interest bearing securities and disclosed as part of the township's investments. The Perpetual Care Fund and Escrow Deposit Fund maintain accounts on a separate basis outside of the combined cash management pool.

For purposes of the statement of cash flows, the proprietary funds type considers all transactions within the township's pooled cash accounts to be cash and cash equivalents.

Investments are recorded at fair value. Interest income earned by the pool is allocated by capturing the average daily balance of each individual fund relative to the average daily balance of all funds participating in the pool.

2. *Receivables and Payables.*

In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

3. *Inventories and Prepaid Items.*

Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds, except for ice arena inventories, are not material and are recorded as expenditures when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

4. *Capital Assets.*

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$10,000 (\$20,000 for business-type activities) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current year \$0 of interest expense was capitalized as part of the cost of assets under construction.

Included in capital assets are the township’s investment in roads and drains within the township that are recorded as intangible assets (shared road improvements and flowage rights). Although paid for by the township, Michigan law makes these assets property of the County (along with the responsibility to maintain them).

Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings and improvements	40
Water and Sewer Lines	50
Roads (shared road improvements)	15
Drains (flowage rights)	15
Vehicles	5-20
Office furniture and equipment	5

5. *Compensated Absences.*

It is the township’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for sick leave since the township does not have a policy to pay amounts when the employees separate from service from the township. If material, all vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only for employee terminations at year-end.

6. Long-Term Obligations.

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

7. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

E. Property Taxes

Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Real and personal property taxes are collected without additional charge through February 14. The township continues to collect taxes until March 1, at which time the delinquent real property taxes are returned to the county for collection. Taxes returned delinquent to the county treasurer are subject to penalty and interest. The county's policy has been to pay the township for all delinquent real property taxes returned. The township continues to collect delinquent personal property taxes.

Although the township's 2006 ad valorem tax is levied and collectible on December 1, 2006, it is the township's policy to recognize revenue from this levy in the year ended December 31, 2007, when the proceeds of this levy are budgeted and made available for the financing of operations.

The 2006 taxable valuation of the township totaled \$1,365,135,231, on which ad valorem taxes levied consisted of 2.2500 mills for township operating purposes, raising \$3,071,474 for operating. This amount is recognized in the General Fund as tax revenue.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the period. Actual results could differ from those estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

State Construction Code Act - The Township oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The township charges fees for these services. Beginning January 1, 2000, the law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs.

The township accounts for the activity of its building inspection department within its general fund. Following is a summary of the cumulative deficit and activity for the year ended December 31, 2007:

Surplus (deficit) - December 31, 2006		\$ (530,530)
Charges for services	\$ 36,167	
Building inspection expenditures	<u>201,488</u>	<u>(165,321)</u>
Surplus (deficit) - December 31, 2007		<u>\$ (695,851)</u>

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The governing body has designated several banks for the deposit of township funds. The investment policy adopted by the township in accordance with Public Act 196 of 1997 has authorized investment in all of the State statutory authority as listed above.

The township's deposits and investment policy are in accordance with statutory authority.

At year-end, the township's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and Investments	\$ 7,517,628	\$ 6,005,772	\$ 862,675	\$ 14,386,075

The breakdown between deposits and investments is as follows:

Bank Deposits (checking and savings accounts, certificates of deposit)	\$ 13,869,097
Investments	<u>516,978</u>
Total	<u>\$ 14,386,075</u>

Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the township's deposits may not be returned. The township does not have a deposit policy for custodial credit risk. At year end, the bank balance of the township's deposits was \$16,416,714 of which \$600,000 was covered by federal depository insurance and \$15,816,714 was exposed to custodial credit risk because it was uninsured and uncollateralized. The township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the township evaluates each financial institution with which it deposits township funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Investments

The township chooses to disclose its investments by utilizing the specific identification method. As of December 31, 2007 the township had the following investments.

US Treasury Note, maturing 5-15-2017	<u>\$ 516,978</u>
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Interest rate risk. Except as limited by state law as listed in the above list of authorized investments the township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. The township has no investment policy that limits its investment choices beyond those required by state law. The township's investments in US Government Obligations are not subject to credit risk disclosure.

Custodial Credit Risk-Investments. For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the township will not be able to recover the value of its investments that are in the possession of the outside party. The township has not adopted a policy for investment custodial credit risk. As of December 31, 2007, the township's \$516,978 in investments in US Treasury Notes was held by a third party in the township's name.

Concentration of Credit Risk. State law does not limit and the township has not adopted a formal policy on the amount the township may invest in any one issuer. All investments held by the township at December 31, 2007 are guaranteed by the US government.

B. Receivables

Receivables as of year-end for the township's individual major funds and non-major funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Water and Sewer</u>	<u>Total</u>
Receivables:			
Taxes	\$ 1,561,435	\$ -	\$ 1,561,435
Accounts	113,497	993,364	1,106,861
Interest	144,205	-	144,205
Special Assessments	<u>-</u>	<u>427,717</u>	<u>427,717</u>
Gross receivables	1,819,137	1,421,081	3,240,218
Less allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 1,819,137</u>	<u>\$ 1,421,081</u>	<u>\$ 3,240,218</u>

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes	\$ 3,264,264	\$ -
Special assessments	<u>2,250</u>	<u>-</u>
Total	<u>\$ 3,266,514</u>	<u>\$ -</u>

C. Capital Assets

Capital asset activity of the primary government for the current year was as follows:

Governmental Activities	Beginning Balance	Increases	Transfer from Business-Type Activities	Decreases	Ending Balance
Capital Assets Not Being Depreciated					
Land	\$ 968,213	\$ -	\$ 159,825	\$ -	\$ 1,128,038
Construction in progress	-	317,771	-	-	317,771
Subtotal	968,213	317,771	159,825	-	1,445,809
Capital Assets Being Depreciated					
Building and improvements	6,982,113	-	7,926,891	-	14,909,004
Land improvements	1,841,554	-	-	-	1,841,554
Machinery and equipment	806,895	163,698	216,467	(22,140)	1,164,920
Office furniture and equipment	226,625	38,546	49,910	-	315,081
Vehicles	2,252,216	93,956	-	(22,069)	2,324,103
Infrastructure	15,888,100	1,902,038	-	-	17,790,138
Subtotal	27,997,503	2,198,238	8,193,268	(44,209)	38,344,800
Less Accumulated Depreciation for					
Buildings and improvements	(1,751,095)	(372,725)	(495,430)	-	(2,619,250)
Land improvements	(588,168)	(91,578)	-	-	(679,746)
Machinery and equipment	(680,709)	(40,285)	(44,195)	20,112	(745,077)
Office furniture and equipment	(226,625)	(9,982)	(24,955)	-	(261,562)
Vehicles	(719,042)	(128,283)	-	17,655	(829,670)
Infrastructure	(8,180,382)	(943,860)	-	-	(9,124,242)
Subtotal	(12,146,021)	(1,586,713)	(564,580)	37,767	(14,259,547)
Net Capital Assets Being Depreciated	15,851,482	611,525	7,628,688	(6,442)	24,085,253
Governmental Activities Total					
Capital Assets - Net of Depreciation	<u>\$ 16,819,695</u>	<u>\$ 929,296</u>	<u>\$ 7,788,513</u>	<u>\$ (6,442)</u>	<u>\$ 25,531,062</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General government	\$ 78,683
Public safety	205,111
Public works	950,735
Community and economic development	-
Recreation and culture	352,184
Total	<u>\$ 1,586,713</u>

Business-Type Activities					
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfer To Governmental Activities</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated					
Land	\$ 266,225	\$ -	\$ (159,825)	\$ -	\$ 106,400
Construction in progress	-	-	-	-	-
Subtotal	266,225	-	(159,825)	-	106,400
Capital Assets Being Depreciated					
Ice Arena					
Buildings	7,926,891	-	(7,926,891)	-	-
Furniture and equipment	266,377	-	(266,377)	-	-
Water and Sewer					
Buildings	1,079,852	-	-	-	1,079,852
Furniture and equipment	149,975	-	-	-	149,975
Vehicles	133,135	16,788	-	(35,655)	114,268
Water systems	21,873,498	172,098	-	-	22,045,596
Sewer systems	33,581,839	1,205,209	-	-	34,787,048
Subtotal	65,011,567	1,394,095	(8,193,268)	(35,655)	58,176,739
Less Accumulated Depreciation for					
Ice Arena					
Buildings	(495,430)	-	495,430	-	-
Furniture and equipment	(69,150)	-	69,150	-	-
Water and Sewer					
Buildings	(426,988)	(53,993)	-	-	(480,981)
Furniture and equipment	(59,588)	(25,078)	-	-	(84,666)
Vehicles	(98,407)	(10,168)	-	35,655	(72,920)
Water systems	(5,708,186)	(437,470)	-	-	(6,145,656)
Sewer systems	(9,827,557)	(671,637)	-	-	(10,499,194)
Subtotal	(16,685,306)	(1,198,346)	564,580	35,655	(17,283,417)
Net Capital Assets Being Depreciated	48,326,261	195,749	(7,628,688)	-	40,893,322
Business Type Activities Total					
Capital Assets - Net of Depreciation	<u>\$ 48,592,486</u>	<u>\$ 195,749</u>	<u>\$ (7,788,513)</u>	<u>\$ -</u>	<u>\$ 40,999,722</u>

Depreciation expense was charged to business-type activities as follows:

Business-Type Activities:

Water and Sewer \$ 1,198,346

Construction Commitments-The township had no significant construction commitments at December 31, 2007.

D. Interfund Receivables, Payables and Transfers

At December 31, 2007, there were no interfund balances. Interfund transfers reported in the funds statements were as follows:

Transfers In	Transfers Out				Total
	General Fund	Non-Major Governmental Funds	Ice Arena Fund		
General Fund	\$ -	\$ 58,989 (1)	\$ -		\$ 58,989
General Fund	-	7,033 (2)	131,517 (2)		138,550
Library Fund	669,775 (3)	-	-		669,775
Senior Center Fund	59,473 (4)	-	-		59,473
Total	<u>\$ 729,248</u>	<u>\$ 66,022</u>	<u>\$ 131,517</u>		<u>\$ 926,787</u>

The following describes the nature of significant transfers:

- (1) Transfer of Perpetual Care Fund earnings to General Fund to be used for cemetery care expenses
- (2) Transfer from Retirement Benefit Fund and Ice Arena Fund to General Fund to close funds
- (3) Transfer from General Fund to Library Fund for operating purposes
- (4) Transfer from General Fund to Senior Center Fund for operating purposes

E. Long-Term Debt

The township has no long-term debt at December 31, 2007.

Georgetown Charter Township, along with other local municipalities, purchases water from the City of Wyoming for storage and distribution to the township's customers. The City of Wyoming bills Ottawa County for this water purchase which in turn bills the individual municipalities.

Ottawa County has issued general obligation bonds to provide for the construction and acquisition of a portion of the City of Wyoming water system for the benefit of the local municipalities. Each participating municipality has pledged its full faith and credit for the payment of its respective share of contract payments to Ottawa County sufficient to pay the principal and interest on the bonds.

Separate contract payments for principal and interest on these bonds are not made by the township but instead are included as part of the overall water rate charged by Ottawa County to the township.

At December 31, 2007, the portion of these Ottawa County bonds outstanding for which the township has pledged its full faith and credit amounted to \$14,856,752.

NOTE 4. OTHER INFORMATION

A. Risk Management

The township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The township has purchased full multi-peril insurance coverage underwritten by the Michigan Township Participating Plan. The township is fully insured for workers compensation claims by coverage underwritten by the Michigan Municipal Workers Compensation Fund. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

B. Contingent Liabilities

In the normal course of its activities, the township has become party to various legal actions. The proceedings have not yet progressed to the point where an opinion can be reached as to the ultimate liability, if any, to the township. No liability has been provided for any of these matters in the December 31, 2007 financial statements.

D. Deferred Compensation Plan

The township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The assets of the plan were held in trust as described in IRC Section 457(g) for the exclusive benefit of the participants and their beneficiaries. The custodian thereof holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted for any other use. The Administrators are the agents of the employer for the purpose of providing direction to the custodian of the custodial accounts from time to time for the investment of the funds held in the account, transfer of the assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the township's financial statements.

E. Pension Plan

The Georgetown Charter Township Group Pension Plan is a defined contribution plan established by the township to provide benefits at retirement to employees of the township meeting length of service requirements. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. At December 31, 2007 there were 25 plan members. No contributions are required of plan members. The township contribution is 11.5% of covered salary and amounted to \$154,829 for 2007. Plan provisions and contribution requirements are established and may be amended by the Georgetown Charter Township Board.

F. Prior Period Adjustment

Net assets of the Township's Water and Sewer fund (and business-type activities) have been adjusted at December 31, 2006 to reflect an accrual for estimated unbilled receivables for water and sewer services provided through year-end. The effect of this adjustment increases net assets at December 31, 2006 by \$556,133. Had an accrual for estimated unbilled water and sewer receivables been recorded in prior years the change in net assets for the Township's Water and Sewer Fund (and business-type activities) for the year ended December 31, 2006 would have increased by \$45,244.

Net assets of Water and Sewer Fund	
at December 31, 2006, as previously reported	\$ 46,316,113
Effect of prior period adjustment	<u>556,133</u>
Net assets of Water and Sewer Fund	
at December 31, 2006, as restated	<u>\$ 46,872,246</u>

Required Supplementary Information

Georgetown Charter Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Revenues:				
Taxes	\$ 3,127,100	\$ 3,127,100	\$ 3,132,594	\$ 5,494
Licenses and permits	380,425	380,425	476,859	96,434
Grants	-	161,100	215,056	53,956
State shared revenues	2,817,500	2,817,500	2,939,235	121,735
Charges for services	122,100	943,700	869,214	(74,486)
Fines and forfeitures	100,000	100,000	78,762	(21,238)
Interest	100,000	100,000	393,402	293,402
Other	92,000	104,000	201,112	97,112
Total Revenues	<u>6,739,125</u>	<u>7,733,825</u>	<u>8,306,234</u>	<u>572,409</u>
Expenditures:				
Current:				
General Government:				
Township Board	54,100	54,100	42,648	11,452
Supervisor	122,860	122,860	121,468	1,392
Township office	208,595	208,595	73,398	135,197
Elections	20,500	25,500	25,620	(120)
Assessor	115,237	115,237	105,542	9,695
Clerk	113,057	113,057	18,369	94,688
Board of Review	2,250	3,350	3,242	108
Treasurer	112,153	112,153	110,341	1,812
Cemetery	177,700	177,700	176,769	931
Total General Government	<u>926,452</u>	<u>932,552</u>	<u>677,397</u>	<u>255,155</u>
Public Safety:				
Sheriff E-Unit	1,402,000	1,402,000	1,256,254	145,746
School safety	66,100	66,100	63,140	2,960
Fire department	730,500	885,500	844,742	40,758
Building inspection	228,700	228,700	201,488	27,212
Civil defense	16,251	16,251	10,230	6,021
Total Public Safety	<u>2,443,551</u>	<u>2,598,551</u>	<u>2,375,854</u>	<u>222,697</u>
Public Works:				
Drains	203,000	203,000	49,942	153,058
Highways, streets and bridges	1,958,000	2,458,000	2,387,176	70,824
Street lighting	341,000	341,000	318,633	22,367
Total Public Works	<u>2,502,000</u>	<u>3,002,000</u>	<u>2,755,751</u>	<u>246,249</u>

Georgetown Charter Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
Community and Economic Development:				
Planning Commission	52,800	52,800	22,026	30,774
Zoning Board of Appeals	5,860	5,860	3,073	2,787
Total Community and				
Economic Development	<u>58,660</u>	<u>58,660</u>	<u>25,099</u>	<u>33,561</u>
 Recreation and Culture:				
Parks	402,220	402,220	286,069	116,151
Community projects	66,000	66,000	78,366	(12,366)
Historical society	24,110	24,110	18,148	5,962
Ice arena	-	883,600	866,979	16,621
Total Recreation and Culture	<u>492,330</u>	<u>1,375,930</u>	<u>1,249,562</u>	<u>126,368</u>
 Total Expenditures	<u>6,422,993</u>	<u>7,967,693</u>	<u>7,083,663</u>	<u>884,030</u>
 Excess Of Revenues Over Expenditures	<u>316,132</u>	<u>(233,868)</u>	<u>1,222,571</u>	<u>1,456,439</u>
 Other Financing Sources (Uses):				
Transfers in	40,000	40,000	197,539	157,539
Transfers out	(829,248)	(829,248)	(729,248)	100,000
Total Other Financing Sources (Uses)	<u>(789,248)</u>	<u>(789,248)</u>	<u>(531,709)</u>	<u>257,539</u>
 Net Change in Fund Balances	<u>(473,116)</u>	<u>(1,023,116)</u>	<u>690,862</u>	<u>1,713,978</u>
 Fund Balances - January 1	<u>3,725,117</u>	<u>3,725,117</u>	<u>3,725,117</u>	<u>-</u>
 Fund Balances - December 31	<u>\$ 3,252,001</u>	<u>\$ 2,702,001</u>	<u>\$ 4,415,979</u>	<u>\$ 1,713,978</u>

Georgetown Charter Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - LIBRARY FUND
Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final
				Budget
Revenues:				
State shared revenues	\$ 27,000	\$ 27,000	\$ 34,436	\$ 7,436
Charges for services	15,800	15,800	16,595	795
Fines and forfeitures	176,500	176,500	203,849	27,349
Other	5,100	5,100	11,893	6,793
Total Revenues	<u>224,400</u>	<u>224,400</u>	<u>266,773</u>	<u>42,373</u>
Expenditures:				
Current:				
Recreation and culture	<u>894,175</u>	<u>894,175</u>	<u>838,179</u>	<u>55,996</u>
Excess of Revenues				
Over (Under) Expenditures	(669,775)	(669,775)	(571,406)	98,369
Other Financing Sources:				
Transfers in	<u>669,775</u>	<u>669,775</u>	<u>669,775</u>	<u>-</u>
Net Change in Fund Balances	-	-	98,369	98,369
Fund Balances - January 1	<u>235,380</u>	<u>235,380</u>	<u>235,380</u>	<u>-</u>
Fund Balances - December 31	<u>\$ 235,380</u>	<u>\$ 235,380</u>	<u>\$ 333,749</u>	<u>\$ 98,369</u>

Georgetown Charter Township, Michigan
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2007

NOTE – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year end. Before November 30, the proposed budget is presented to the Township Board for review. The Board holds public hearings and a final budget must be prepared and adopted no later than November 30.

The appropriated budget is prepared by fund, function, and activity. Budgetary control over expenditures is exercised by the Township Board. Appropriated budgets are amended by a majority vote of the Township Board. The legal level of budgetary control is the activity level within the fund. During the current year, the budget was amended in a legally permissible manner. Amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

B. Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the township incurred expenditures in certain budgeted funds which were in excess of the amounts appropriated, as follows:

	<u>Budget Appropriation</u>	<u>Actual Expenditure</u>
Budget Items		
General Fund - Elections	\$ 25,500	\$ 25,620
General Fund - Community projects	66,000	78,366

Supplemental Data

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are established to account for the proceeds of specific revenue sources other than expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes or for monies received from other funds for specified purposes.

Senior Center Fund – was established to account for the revenues and expenditures of the Senior Center.

Retirement Benefit Fund – was established to accounts for monies received for and the payment of post-employment health care benefits.

Permanent Funds

Permanent Funds account for assets held by the township pursuant to a trust agreement. The principle portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

Perpetual Care Fund – was established to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the township cemetery.

Georgetown Charter Township, Michigan
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2007

	Special Revenue Funds			Permanent Fund	Total Nonmajor Governmental Funds
	Senior Center	Retirement Benefit	Total	Perpetual Care	
ASSETS					
Cash and investments	<u>\$ 24,175</u>	<u>\$ -</u>	<u>\$ 24,175</u>	<u>\$ 980,263</u>	<u>\$ 1,004,438</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	<u>\$ 9,034</u>	<u>\$ -</u>	<u>\$ 9,034</u>	<u>\$ -</u>	<u>\$ 9,034</u>
Fund Balances:					
Reserved	-	-	-	980,263	980,263
Unreserved	<u>15,141</u>	<u>-</u>	<u>15,141</u>	<u>-</u>	<u>15,141</u>
Total Fund Balances	<u>15,141</u>	<u>-</u>	<u>15,141</u>	<u>980,263</u>	<u>995,404</u>
Total Liabilities and Fund Balances	<u>\$ 24,175</u>	<u>\$ -</u>	<u>\$ 24,175</u>	<u>\$ 980,263</u>	<u>\$ 1,004,438</u>

Georgetown Charter Township, Michigan
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2007

	Special Revenue Funds			Permanent Fund	Total Nonmajor Governmental Funds
	Senior Center	Retirement Benefit	Total	Perpetual Care	
Revenues:					
Grants	\$ 139,575	\$ -	\$ 139,575	\$ -	\$ 139,575
Charges for services	67,580	-	67,580	34,850	102,430
Interest	-	-	-	58,989	58,989
Change in fair value of investments	-	-	-	14,249	14,249
Other	3,675	-	3,675	-	3,675
Total Revenues	<u>210,830</u>	<u>-</u>	<u>210,830</u>	<u>108,088</u>	<u>318,918</u>
Expenditures:					
Current:					
General government	-	6,443	6,443	-	6,443
Recreation and culture	270,463	-	270,463	-	270,463
Total Expenditures	<u>270,463</u>	<u>6,443</u>	<u>276,906</u>	<u>-</u>	<u>276,906</u>
Excess of Revenues Over (Under) Expenditures	<u>(59,633)</u>	<u>(6,443)</u>	<u>(66,076)</u>	<u>108,088</u>	<u>42,012</u>
Other Financing Sources (Uses):					
Transfers in	59,473	-	59,473	-	59,473
Transfers out	-	(7,033)	(7,033)	(58,989)	(66,022)
Total Other Financing Sources (Uses)	<u>59,473</u>	<u>(7,033)</u>	<u>52,440</u>	<u>(58,989)</u>	<u>(6,549)</u>
Net Change in Fund Balances	<u>(160)</u>	<u>(13,476)</u>	<u>(13,636)</u>	<u>49,099</u>	<u>35,463</u>
Fund Balances - January 1	<u>15,301</u>	<u>13,476</u>	<u>28,777</u>	<u>931,164</u>	<u>959,941</u>
Fund Balances - December 31	<u>\$ 15,141</u>	<u>\$ -</u>	<u>\$ 15,141</u>	<u>\$ 980,263</u>	<u>\$ 995,404</u>

ADDITIONAL INFORMATION SECTION

Georgetown Charter Township, Michigan
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION - UNAUDITED
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works	Community and Economic Development	Recreational And Cultural	Other	Total
1998	\$ 1,043,056	\$ 1,939,935	\$ 1,651,127	\$ 46,305	\$ 884,622	\$ 8,000	\$ 5,573,045
1999	748,181	3,574,383	1,108,454	44,851	851,086	8,100	6,335,055
2000	894,666	1,749,867	2,030,495	68,772	927,080	8,963	5,679,843
2001	843,521	2,139,821	1,213,973	66,298	1,444,314	8,963	5,716,890
2002	819,625	2,002,563	1,240,205	56,154	1,352,726	-	5,471,273
2003	991,135	2,107,159	1,253,680	57,548	1,628,169	-	6,037,691
2004	844,736	1,896,129	782,793	60,512	1,153,236	-	4,737,406
2005	727,179	2,302,107	973,932	51,176	1,290,461	-	5,344,855
2006	864,313	2,550,417	1,402,156	22,353	1,479,882	-	6,319,121
2007	683,840	2,375,854	2,755,751	25,099	2,358,204	-	8,198,748

<u>Interest</u>	<u>Other</u>	<u>Total</u>
\$ 148,627	\$ 89,184	\$ 4,996,474
204,550	1,438,808	6,968,120
219,128	111,142	5,967,032
273,730	137,646	7,553,355
224,497	168,962	7,616,574
155,014	272,026	7,644,997
99,027	145,186	7,084,767
188,260	143,399	7,091,978
361,286	160,560	7,545,993
466,640	216,680	8,891,925

Georgetown Charter Township, Michigan
GENERAL GOVERNMENTAL REVENUES BY SOURCES - UNAUDITED
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses And Permits</u>	<u>Grants</u>	<u>State Shared Revenues</u>	<u>Charges For Services</u>	<u>Fines and Forfeitures</u>
1998	\$ 1,656,867	\$ 420,651	\$ 12,000	\$ 2,305,109	\$ 153,092	\$ 210,944
1999	2,033,377	375,723	-	2,529,473	151,588	234,601
2000	2,162,171	389,122	25,920	2,670,104	147,332	242,113
2001	2,345,542	622,900	3,307	3,760,171	167,644	242,415
2002	2,517,996	626,311	46,037	3,501,380	249,563	281,828
2003	2,685,913	663,512	150,617	3,224,319	233,855	259,741
2004	2,822,024	403,159	47,537	3,029,132	277,534	261,168
2005	2,716,623	397,552	41,450	3,060,032	249,215	295,447
2006	2,929,679	417,964	104,780	3,003,250	259,733	308,741
2007	3,132,594	476,859	354,631	2,973,671	988,239	282,611

Georgetown Charter Township, Michigan
PROPERTY TAX LEVIES AND COLLECTIONS - UNAUDITED
Last Ten Fiscal Years

Fiscal Year Ended December 31 *	Tax Levy	Collections to March 1, Year Following Levy	
		Amount	%
1998	\$ 20,326,444	\$ 19,811,880	97.47
1999	22,021,341	21,329,534	96.86
2000	24,074,043	23,426,819	97.31
2001	25,512,127	24,676,778	96.73
2002	27,200,353	26,392,702	97.03
2003	29,647,615	28,705,682	96.82
2004	30,047,965	29,157,068	97.04
2005	32,942,827	32,329,468	98.14
2006	35,358,222	34,588,864	97.82
2007	37,977,413	37,080,804	97.64

* Taxes levied on December 1 of prior year.

Georgetown Charter Township, Michigan
STATE EQUALIZED VALUE (1) OF TAXABLE PROPERTY - UNAUDITED
Last Ten Fiscal Years

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total</u>
1998	\$ 850,496,074	\$ 35,513,128	\$ 886,009,202
1999	923,877,503	38,682,468	962,559,971
2000	1,005,170,850	41,349,300	1,046,520,150
2001	1,100,610,466	43,863,200	1,144,473,666
2002	1,184,887,022	44,280,300	1,229,167,322
2003	1,260,950,068	40,979,800	1,301,929,868
2004	1,327,628,621	39,854,700	1,367,483,321
2005	1,424,627,873	40,084,200	1,464,712,073
2006	1,511,744,878	41,062,300	1,552,807,178
2007	1,575,688,626	41,823,500	1,617,512,126

Note:

- (1) Assessed values are established annually by the county and equalized by the state. State equalized values represent 50% of market value as determined by the State Tax Commission on the fourth Monday in May of each year.

Georgetown Charter Township, Michigan
COMPONENTS OF STATE EQUALIZED VALUE - UNAUDITED
Last Ten Fiscal Years

<u>Year</u>	<u>Agricultural</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Residential</u>	<u>Total Real</u>
1998	\$ 9,416,011	\$ 100,666,861	\$ 19,273,869	\$ 721,139,333	\$ 850,496,074
1999	8,302,791	103,993,602	21,544,087	790,037,023	923,877,503
2000	8,471,637	114,302,567	24,017,959	858,378,687	1,005,170,850
2001	8,969,381	115,624,897	29,306,668	946,709,520	1,100,610,466
2002	9,572,750	121,460,661	31,526,374	1,022,327,237	1,184,887,022
2003	6,437,609	123,214,716	33,143,189	1,098,154,554	1,260,950,068
2004	6,315,627	123,841,331	34,084,965	1,163,386,698	1,327,628,621
2005	6,839,167	136,432,397	33,260,749	1,248,095,560	1,424,627,873
2006	7,232,562	143,360,458	36,836,623	1,324,315,235	1,511,744,878
2007	7,369,389	140,758,403	37,749,229	1,389,811,605	1,575,688,626

<u>Total Personal</u>	<u>Total SEV</u>
\$ 35,513,128	\$ 886,009,202
38,682,468	962,559,971
41,349,300	1,046,520,150
43,863,200	1,144,473,666
44,280,300	1,229,167,322
40,979,800	1,301,929,868
39,854,700	1,367,483,321
40,084,200	1,464,712,073
41,062,300	1,552,807,178
41,823,500	1,617,512,126

Georgetown Charter Township, Michigan
MAJOR TAXPAYERS - UNAUDITED

<u>Taxpayer</u>	<u>Principal Product/Service</u>	<u>2007 Taxable Value</u>	<u>Percent Of Total 2007 Taxable Value</u>
BBG Corporation	Apartments	\$ 10,068,086	0.75%
Consumers Energy	Utility	9,435,962	0.69%
Michigan Consolidated Gas	Utility	6,492,627	0.48%
Brookmeadow No. 2	Apartments	6,177,136	0.45%
Meijer Inc.	Retail Store	4,565,235	0.33%
Brookmeadow Ltd Partners	Apartments	4,390,524	0.32%
Oak Crest Homes, Inc.	Retirement Housing	3,387,506	0.25%
Cottonwood Associates	Apartments	3,215,321	0.24%
Dayton Hudson Corp	Retail	3,008,653	0.22%
KM Jenison LLC	Retail	<u>2,853,960</u>	0.21%
Total Taxable Value of Ten Largest Taxpayers		53,595,010	
Total Taxable Value of All Other Taxpayers		<u>1,388,473,706</u>	
Total Taxable Value of All Taxpayers		<u>\$1,442,068,716</u>	

Georgetown Charter Township, Michigan
PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS - UNAUDITED
Last Ten Fiscal Years

<u>Year</u>	<u>Georgetown Township Operating</u>	<u>Michigan State Education</u>	<u>Ottawa County Operating & E-911</u>	<u>School District Operating and Debt</u>	<u>Intermediate District Operating, Debt and Special Ed</u>	<u>Totals</u>
1998	2.5050	6.0000	4.8040	23.9500	3.4588	40.7178
1999	2.5050	6.0000	4.3812	23.9500	4.3353	41.1715
2000	2.5000	6.0000	4.3760	23.8960	4.2999	41.0719
2001	2.5000	6.0000	4.2722	23.7520	4.2854	40.8096
2002	2.5000	6.0000	4.1672	25.0020	4.2688	41.9380
2003	2.5000	5.0000	4.1611	25.2000	4.2305	41.0916
2004	2.2500	6.0000	4.2593	25.2000	4.2192	41.9285
2005	2.2500	6.0000	4.2579	25.2000	4.2109	41.9188
2006	2.2500	6.0000	4.2572	25.0434	4.2093	41.7599
2007	2.2500	6.0000	4.3572	25.0434	5.5234	43.1740

Notes:

- (1) Georgetown Charter Township is situated within the boundaries of several school districts. The Jenison School District tax rates were selected for use in this table.
- (2) The 1997 - 2006 School District Operating and Debt rate includes 18.0000 mills which is levied on non-homestead property only.

Georgetown Charter Township, Michigan
RATIO OF NET GENERAL BONDED DEBT
TO STATE EQUALIZED VALUE - UNAUDITED
Last Ten Fiscal Years

Fiscal Year	State Equalized Valuation (2) (in Thousands)	Gross Bonded Debt (1) (in Thousands)	Debt Service Monies Available (in Thousands)	Net Bonded Debt (in Thousands)	Ratio Of Net Bonded Debt To State Equalized Value
1998	\$ 800,516	\$ -	\$ -	\$ -	-
1999	886,009	-	-	-	-
2000	962,560	-	-	-	-
2001	1,046,520	-	-	-	-
2002	1,144,474	-	-	-	-
2003	1,229,167	-	-	-	-
2004	1,301,930	-	-	-	-
2005	1,367,483	-	-	-	-
2006	1,464,712	-	-	-	-
2007	1,552,807	-	-	-	-

Notes:

(1) Includes all long-term general obligation bonded debt.

(2) State equalized value is for prior year.

Georgetown Charter Township, Michigan
BONDED INDEBTEDNESS SUMMARY - UNAUDITED

Direct Bonded Indebtedness					
as of December 31, 2007					\$ -
Indirect Debt:					
Act 342 Water and Sewer Bonds (Township's share of Ottawa County bonds)					14,856,752
Net Direct and Indirect Debt					<u>14,856,752</u>
Overlapping Bonded Indebtedness					
as of December 31, 2007					
<u>Municipality</u>	<u>Total</u>		<u>Georgetown Township's Share</u>		
	<u>Taxable Value</u>	<u>Debt</u>	<u>Taxable Value</u>	<u>%</u>	<u>Debt</u>
Jenison School District	\$ 811,662,591	\$ 55,820,000	\$ 811,662,591	100.00%	\$ 55,820,000
Hudsonville School District	1,194,227,627	72,625,411	590,141,081	49.42%	35,888,668
Grandville School District	1,468,838,856	35,655,000	40,265,044	2.74%	977,405
Ottawa County at Large	9,585,665,481	19,680,000	1,442,068,716	15.04%	2,960,662
Ottawa Intermediate District	10,933,614,557	7,140,000	1,401,803,672	12.82%	915,423
Kent Intermediate District	20,664,782,126	-	40,265,044	0.19%	-
Grand Rapids Community College	21,880,768,396	51,245,000	40,265,044	0.18%	94,301
Net Overlapping Debt					<u>96,656,458</u>
Net Direct, Indirect and Overlapping Debt					<u>\$ 111,513,210</u>
Summary of Direct, Indirect and Overlapping Debt					
Population estimate		44,800			
Actual Valuation (True Cash Value)		\$ 3,235,024,252			
SEV		\$ 1,617,512,126			
Taxable Value		\$ 1,442,068,716			
Per Capita SEV		36,105			
Per Capita Taxable Valuation		32,189			
Net Direct and Indirect Debt		\$ 14,856,752			
Per Capita		\$ 331.62			
Ratio to True Cash Value		0.46%			
Ratio to SEV		0.92%			
Ratio to Taxable Value		1.03%			
Net Direct, Indirect And Overlapping Debt		\$ 111,513,210			
Per Capita		\$ 2,489.13			
Ratio to true cash value		3.45%			
Ratio to SEV		6.89%			
Ratio to taxable value		7.73%			

The Township has never defaulted on payment of its bonded indebtedness.

Georgetown Charter Township, Michigan
CONSTRUCTION PERMIT VALUES - UNAUDITED
Last Ten Fiscal Years

Year Ended December 31	Commercial Construction (1)		Residential Construction (1)	
	Number Of Units	Value	Number Of Units	Value
1998	72	\$ 16,771,764	569	\$ 48,853,034
1999	73	17,617,192	609	49,036,065
2000	34	10,706,820	528	50,243,114
2001	11	8,375,740	258	39,400,421
2002	10	2,042,605	283	46,982,298
2003	11	2,167,109	315	52,377,441
2004	34	10,091,700	369	63,214,948
2005	19	4,163,400	323	54,117,425
2006	10	3,474,000	181	35,551,485
2007	0	-	82	19,620,233

Note:

- (1) Includes additions, remodeling and new construction 1998 - 2000
 Includes only new construction 2001 - 2007

Information for this table provided by the Township Building department.



March 6, 2008

Township Board
Georgetown Charter Township

We have audited the financial statements of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Georgetown Charter Township for the year ended December 31, 2007, and have issued our report thereon dated March 6, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated November 5, 2007, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on January 28, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Georgetown Charter Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2007. We noted no transactions entered into by the Township during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of depreciation expense is based on the length of time it is believed that depreciable capital assets will provide economic benefit to the Township.

Contributed water and sewer infrastructure values have been based on estimated current cost to construct.

Estimated unbilled water and sewer charges receivable is based on actual billings to customers in prior periods adjusted for changes in rates and number of customers.

We evaluated the key factors and assumptions used to develop the above estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 6, 2008.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Township's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Township Board and management of Georgetown Charter Township and is not intended to be and should not be used by anyone other than these specified parties.

Kiekover, Scholma & Shumaker, PC